



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 8, MONTANA OFFICE
FEDERAL BUILDING, 10 West 15th St, Suite 3200
HELENA, MONTANA 59626

Ref: 8MO

October 27, 2008

Mr. Richard M. Hotaling
BLM Butte Field Office Manager
106 North Parkmont
Butte, MT 59701-3388

and

Mr. Richard H. Oppen, Director
Montana Dept. of Environmental Quality
P.O. Box 200901
Helena, MT 59620-0901

Re: CEQ # 20080390, EPA Comments on FEIS
for the "M" Pit Mine Expansion at Montana
Tunnels Mine

Dear Mr. Hotaling and Mr. Oppen:

The Environmental Protection Agency (EPA) Region VIII Montana Office has reviewed the Final Environmental Impact Statement (FEIS) for the "M" Pit Mine Expansion at the Montana Tunnels Mine in Jefferson County, Montana in accordance with EPA responsibilities under the National Environmental Policy Act (NEPA), 42 U.S.C. 4231 and Section 309 of the Clean Air Act.

We appreciate receipt of the detailed responses to EPA's DEIS comments included in Chapter 10 of the FEIS. We are pleased that additional kinetic testing of tailings using current ASTM methods has been conducted to obtain data more representative of post-mining tailings storage facility conditions.

Differences between the static tests that predict acid generation and kinetic testing that do not predict acid production suggest that continued attention to water quality changes over the life of the mine and post-closure are warranted. The FEIS states that the additional geochemical testing showed no measurable acidity production during 25 weeks of weathering, and no potential for acid generation or exceedances of primary standards for metals other than a marginal exceedance of the cadmium standard in the initial Week 0 extract with low cadmium concentrations measured for the remainder of the test. It is further stated that waste rock has repeatedly failed to produce acid during kinetic testing

or during 20 years of in-situ monitoring despite static test results indicating low NP:AP and high potential for acid generation. It is suggested that the absence of acidic conditions in-situ and during kinetic testing may be due to the unique buffering capacity of the mineralogy at the Montana Tunnels Mine, that may be capable of neutralizing any acid that is generated.

The FEIS concludes that the predicted chemistry of seepage from the tailings storage facility, waste rock storage area, and pit lake will comply with all DEQ-7 standards for human health, groundwater, and surface water (acute and chronic aquatic) in the seepage itself, prior to any mixing with ambient groundwater and/or surface water, with the exception of the concentration of iron in seepage from the tailings impoundment. In addition, it is reported that the mine expansion project, mine closure, and post-closure activities would be consistent with Total Maximum Daily Loads (TMDLs) and Water Quality Plans for the Helena valley. It is, thus, predicted that the Montana Tunnels M-Pit Expansion Project would not further degrade water quality in Clancy Creek, Spring Creek and Prickly Pear Creek, and would be consistent with long-term restoration of full support of beneficial uses in these impaired stream segments.

The FEIS responses do acknowledge, however, that manganese would be released to groundwater in concentrations above the Secondary Maximum Contaminant Level (SMCL), and that metal releases were observed for quartz latite dike waste rock. Although it is stated that such rock comprises only 13% of the total volume of waste rock that would be excavated during life-of-mine operation of the M-Pit, and the vast majority of material that would be stored as waste would not generate acidity.

The FEIS responses to our earlier comments have increased our understandings and reduced the level of our environmental concerns regarding the Montana Tunnels M-Pit Expansion. However, our concerns are not entirely allayed. We are still concerned about potential for elevated metals levels to occur in surface and groundwaters over the long-term. We note that the science of prediction of acid generation (and metals mobilization) is still developing, and that there are geochemical, hydrological and long-term water quality uncertainties, so it will be important that monitoring and contingency planning continue (i.e., contingency plan and operational geochemical verification program to handle potentially acid-generating waste rock based on kinetic test results; water quality monitoring of mine site runoff and seepage, especially waste rock and tailings storage facility seepage, tailings water discharges to the pit and post-mining pit lake water quality during the 5-year closure period, with water quality and geochemical data evaluated at the end of the 5-year closure period, and monitoring requirements adjusted by DEQ and BLM, as needed).

We also want to reiterate a point raised during our review of the DEIS regarding the history of adverse environmental effects resulting from some hard rock mines in the past, and the expenditure of public funds used in some cases to address environmental problems caused by mining. The FEIS says bond calculations are not provided in the FEIS because the bond cannot be calculated until a permitting decision has been made. The bond will be calculated according to state and federal law and regulations after the

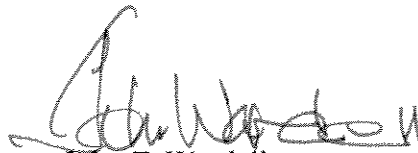
FEIS publication and a permitting decision has been made by the agencies. The agencies will review the bond amount annually and conduct a comprehensive bond review at least every 5 years, as required by statute, and the agencies may conduct additional comprehensive bond reviews, and modify the bond if the agencies determine that the bond does not represent the present costs of compliance with the Montana Metal Mine Reclamation Act, its implementing rules, other state laws, such as the Water Quality Act, federal regulations, and the permit.

We want to emphasize the importance of having bonding levels that assure that the full cost of all potential and feasible controls will be obtained to maintain compliance with surface and ground water quality standards; including possible long-term monitoring, treatment, maintenance, infrastructure costs, replacement, and contingencies. Bonding requirements must be appropriate for the uncertainty regarding long-term geochemical reactions, future tailing impoundment chemistry, future water quality in ground and surface waters, pit lake water quality, predictions for the length of time predicted for the pit to fill, etc.,

We recommend that the ROD commit to including sufficient financial coverage for addressing handling all potential closure/post-closure environmental contamination that may occur, for as long as it may be necessary, including a long-term mine closure operation and maintenance plan and fund. It will be critical to ensure that adequate funds will be available to properly close the Montana Tunnels mine and avoid taxpayer liability to address any potential environmental contamination that may occur in the future.

The EPA appreciates the opportunity to review and comment during the NEPA review process for the EIS. If you have any questions regarding our input please contact Mr. Steve Potts of my staff in Helena at (406) 457-5022 or in Missoula at 406-329-3313. Thank you for your consideration.

Sincerely,

A handwritten signature in dark ink, appearing to read 'John F. Wardell', is written over a horizontal line.

John F. Wardell

Director

Montana Office

cc: Larry Svoboda/Connie Collins, EPA 8EPR-N, Denver
Robert Ray/George Mathieus, MDEQ, Helena